

RESOLUTION 2018-006
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AUTHORIZING THE LEASE OF 11.85 ACRES OF CITY-OWNED
NATURAL AREA PROPERTY TO HAGEMAN EARTH CYCLE, LLC

WHEREAS, the City is the owner of a parcel of land located in northeast Fort Collins known as Running Deer Natural Area (the "City Property"); and

WHEREAS, the City acquired the City Property from Flatiron Companies in 1998 for Natural Areas purposes; and

WHEREAS, when the City acquired the City Property Flatiron Companies was leasing a 15 acre portion of the property (the "Old Lease Parcel") to Hageman Earth Cycle, Inc. ("HEC") for uses related to a yard waste recycling business operated by HEC on adjacent property; and

WHEREAS, in 2001 the City Council adopted Ordinance No. 085, 2001, authorizing the lease of the Old Lease Parcel to HEC for up to five years; and

WHEREAS, in 2006 the City Council adopted Resolution 2006-048 extending the lease for an additional two-year period; and

WHEREAS, the purpose of the initial lease and the extension was to allow HEC to find and move its operations to a new location; and

WHEREAS, in 2008 HEC requested an additional ten-year extension on its lease, which the City Council approved by Ordinance No. 048, 2008, directing the City Manager to report annually on HEC's compliance with regulatory requirements and efforts to relocate its business; and

WHEREAS, HEC has not found a suitable property for relocation, and in 2016 Natural Areas staff and HEC negotiated a potential sale of a portion of the Old Lease Parcel to Fence Post properties, LLC ("Fence Post"), a limited liability company owned by Roger Hageman, the owner of HEC; and

WHEREAS, on January 17, 2017 the City Council considered on first reading Ordinance No. 020, 2017, which would have authorized the sale to Fence Post, but postponed it until City staff could complete work to explore other options such as another long-term lease; and

WHEREAS, since that time, Natural Areas has developed guidelines for leasing Natural Areas property that, among other factors, takes into consideration whether the property was being leased at the time the City acquired it; and

WHEREAS, City staff and HEC have negotiated a proposed new lease agreement (the "Lease") for a portion of the Old Lease Parcel comprising approximately 11.85 acres, as shown on Exhibit "A", attached and incorporated herein by reference (the "New Lease Parcel"); and

WHEREAS, if the Lease is approved, the depiction in Exhibit A will be replaced with a surveyed legal description prior to execution of a lease agreement; and

WHEREAS, the terms and conditions of the Lease would include the following:

- During an option period before the Lease starts, HEC would complete cleanup work on the property;
- The term of the Lease would be twenty years;
- Rent payments would total \$21,165.72 per year, which staff believes is a fair-market rent, with an annual adjustment based on the consumer price index;
- Restrictions on the use of the property to help protect the environment and conservation values on the property; and
- Construction of berms and establishment of vegetation on the berms within five years of commencement of the Lease, with funds deposited in escrow by HEC to assure successful completion of the work; and

WHEREAS, Section 23-113(b)(1) of the City Code authorizes the City Council to lease any and all interests in real property owned in the name of the City if the City Council first finds that the lease is in the best interests of the City, with such approval being by resolution unless the proposed term of the lease exceeds twenty years; and

WHEREAS, HEC provides an important yard waste recycling service to the community, consistent with the City's zero waste goals and Climate Action Plan; and

WHEREAS, the Natural Areas Department supports and benefits from the City's climate goals, and this Lease would let Natural Areas further contribute to these broader natural resource conservation goals; and

WHEREAS, leasing the New Lease Parcel rather than selling it allows the property to remain in Natural Areas ownership and potentially become part of Running Deer Natural Area in the future, while still providing other community benefits; and

WHEREAS, at its regular meeting of November 8, 2017, the Land Conservation and Stewardship Board voted unanimously to recommend approval of the Lease.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. That the City Council hereby finds that the lease of the New Lease Parcel to HEC as provided herein is in the best interests of the City.

Section 3. That the City Manager is hereby authorized to execute a lease agreement to lease the New Lease Parcel to HEC on terms and conditions consistent with this Ordinance, together with such additional terms and conditions as the City Manager, in consultation with the City Attorney, determines are necessary or appropriate to protect the interests of the City, including, but not limited to, any necessary changes to the legal description of the New Lease Parcel, as long as such changes do not materially increase the size or change the character of the property to be leased.

Passed and adopted at a regular meeting of the Council of the City of Fort Collins this 16th day of January, A.D. 2018.



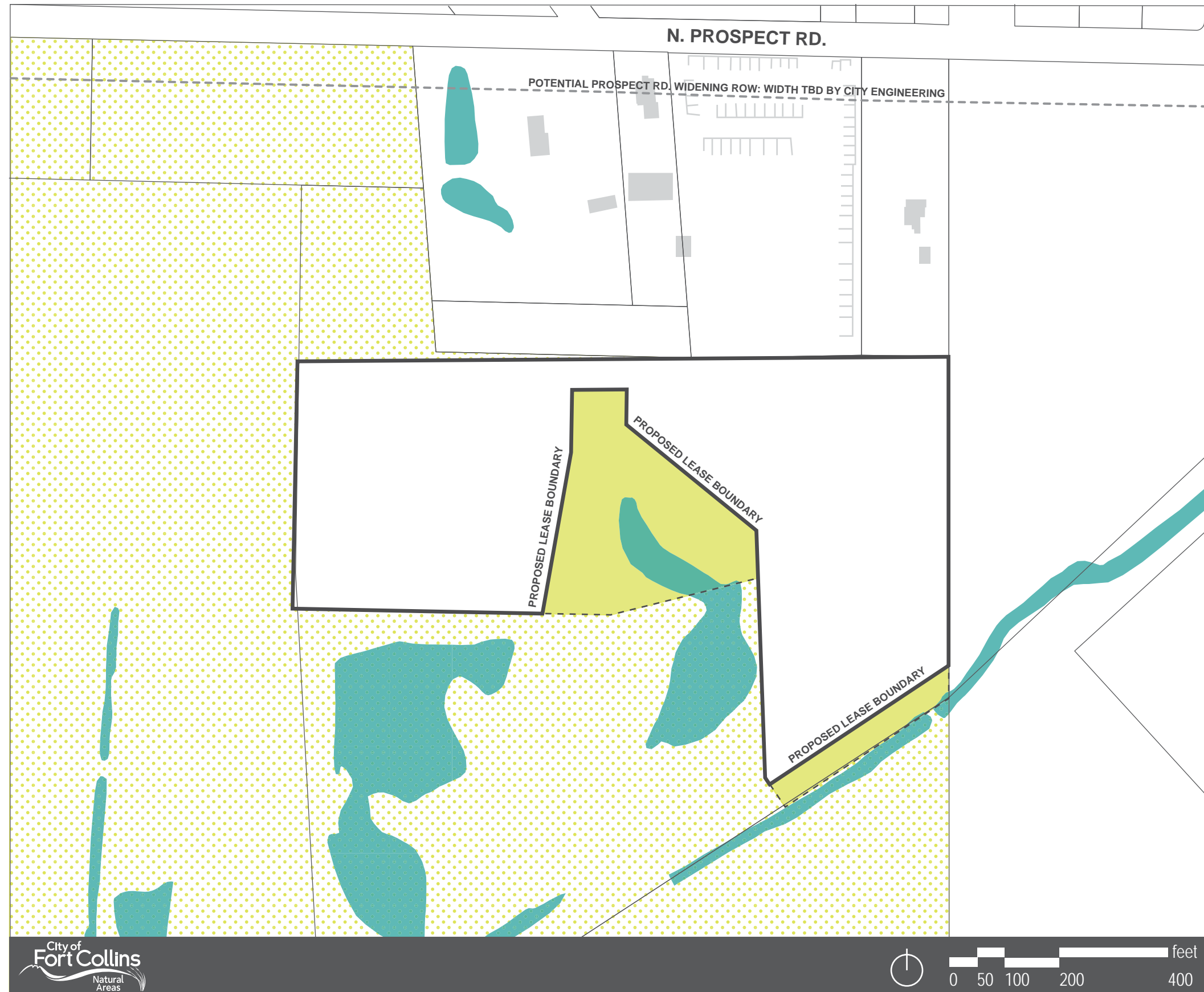
Mayor

ATTEST:







City Clerk





DEPICTION OF THE PREMISES

LEGEND

-  AREAS TO REMAIN IN LESSOR'S MANAGEMENT
-  PROPOSED LEASE BOUNDARY
-  WETLANDS + WATER BODIES
-  RUNNING DEER NATURAL AREA